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Leather Products Industry Panel

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BRIEFING PAPER NO. 7*

CMEA - Europe:

Leather and Leather Products Industry

Prepared

by

the secretariat of UNIDO

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10. 12. 79

Note by the Secretariat

The production and consumption of leather and leather products in CMEA-European member countries are not official, with the exception of Poland and Czechoslovakia. Poland has supplied UNIDO with the figures reproduced here. Czechoslovakia's report was presented to the Panel at its Second Session.

The CMEA Secretariat in Moscow has officially informed UNIDO that up-dated information on the Leather and Leather Products Industry is not available at the present time.

Tables 1 - 7 attached to this brief report are mainly based on FAO statistics.

CMEA-Europe

SUMMARY

The USSR and the other East European member countries of the Council for Mutual Economic Assistance (CMEA) constitute between 20 and 25 per cent of the world hide market. They are net importers of raw materials.

In CMEA, Czechoslovakia retains its leading role in leather and footwear; it exports not only manufactured goods (footwear and leather garments) but also complete industrial plants to CMEA member countries and to developing countries. The German Democratic Republic (DDR) supplies equipment to the tanning and footwear industries in the CMEA member countries. The other European CMEA member countries, Bulgaria, Hungary, Poland and Rumania are at different stages of development, with Hungary at the top and Rumania bringing up the rear with the lowest per capita income. All except Bulgaria have developed their own major footwear industries aimed at export markets, with the USSR as the main customer.

The USSR, with a population of 200 million inhabitants, is by far the largest buyer of CMEA leather products. It is also a large leather and footwear producer. It produces more light leather than the USA and as many shoes as the US consumes.

USSR

The USSR is a large hide producer but an even larger consumer. It is a traditional net hide importer. It is also a large footwear and leather producer. It produces twice as many shoes as the USA and as many as the USA consumes.

According to information published in Moscow at the end of 1977, only 5 per cent of the shoes manufactured by the USSR have up to now been awarded the State quality mark. Footwear manufacturers complain that leather supplies are not of sufficiently high quality. Although the most frequent complaints are about chrome leather, it is known that USSR sole leather is of poor quality, this could possibly explain the reason for the low quality of the shoes produced.

Contrary to popular belief, the USSR is no longer a major buyer of hides on the international market. Annual purchases have recently been around 300,000 hides compared to 3 million hides about ten years ago. Although in 1976 and 1977 the USSR reported a much reduced tonnage of hides in the raw state, preferring to buy its requirements as chrome-tanned leather from Eastern Europe, in 1978 and again in 1979 it reverted to the import of large tonnages of hides. This renewed hide buying activity by the USSR was reported as one of the reasons for the high price of hides applying on the international market.

The USSR has maintained a high level of heavy leather production and it is only in recent years that this production has tended to decline. The actual tonnages are impressive - the USSR currently produces as much heavy leather as the developed countries taken together (see Table 1).

Eastern Europe

Eastern Europe, like the USSR, is a large net hide importer.

Production of footwear with leather uppers is increasing in line with that of the USSR. Light leather production, however, is increasing at a faster rate, while heavy leather production has declined in line with the trend in North-Western Europe

The trend is towards development of mineral tannage and substitute materials for upper and sole leather. It is not surprising in countries having to import large amounts of hides that they should give preference to light leather rather than heavy leather since substitutes for the latter are more numerous and better established than substitutes for the former.

Information supplied to UNIDO

Poland and Czechoslovakia have supplied UNIDO with official data on the Leather and Leather Product sector. The data below summarizes the information available at this point in time.

Poland - 1979

I Leather Production	
- Hard side leather	= 9,525 ton
- Soft leather	= 28,971 ('000m ²)
II Footwear Production	
- Leather footwear	= 61,580 ('000 pairs)
- Leather/synthetic	= 78,012 (" ")
- Synthetic	= 16,432 (" ")
- Rubber/canvas	= <u>23,377</u> (" ")
Total	= 179,401
	=====
III Leather garments	= 588,000 pieces (1,976 million zlotys)
IV Leather gloves	= 3,663,000 pairs (817 million zlotys)

Czechoslovakia

The total production of upper and sole leather for the production of shoes, except leather garments and other products, from domestic and imported raw materials are shown in the table below for 1965 and 1975.

Production of Upper and Sole Leather

<u>Type</u>	<u>Unit</u>	<u>1965</u>	<u>1975</u>
Upper leather	1000 m ²	13,1	9,85
Sole leather	1000 tons	10,9	6,5

Footwear Consumption (1000 Pairs)

<u>Type</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
Leather	26,368	27,075	28,641	26,677	27,692	26,041
Poromeric	9,936	9,530	9,184	6,747	5,514	4,824
Rubber	4,168	3,682	2,932	2,654	2,861	2,310
Textile etc.	22,650	23,731	23,941	23,812	22,937	25,008
Total	63,122	64,018	64,698	59,890	59,004	58,183

Table 1

EASTERN EUROPE AND USSR
Production of heavy leather
1961 - 1976

Production	Av.		1961-76					'000 tons	
	1961-65	Av. 1966-70	1971	1972	1973	1974	1975		1976
Heavy Leather									
Bulgaria	4.7	4.4	3.1	3.3	3.4	2.4	2.5	2.0	---
Czechoslovakia	12.2	9.2	6.8	6.8	6.7	6.7	6.8	6.9	---
German Dem. Rep.	11.2	5.9	4.8	3.3	3.1	3.1	3.0	2.9	---
Hungary	8.6	6.1	4.2	3.8	3.5	3.6	3.2	2.7	---
Poland	15.5	12.9	9.9	10.5	11.2	10.4	10.5	10.0	---
Romania	10.4	11.4	9.9	10.0	9.2	9.6	8.7	9.0	---
Sub-Total	62.6	49.9	39.3	37.7	37.1	35.8	34.7	33.5	
USSR	132.8	151.0	166.2	150.6	146.0	145.1	146.9	146.0	---
Total	195.4	200.9	205.5	188.3	183.1	180.9	181.6	179.5	

Source: COMECON, FAO/CCP: HS 78/2 - National and Industrial Statistics

Table 2

EASTERN EUROPE AND USSR

Leather uppered footwear production

1961 - 1976

(million of pairs)

Production	AV.		1971				1972				1973				1974				1975				1976						
	1961-65	AV.	1966-70	1971	1972	1973	1974	1975	1976	1971	1972	1973	1974	1975	1976	1971	1972	1973	1974	1975	1976	1971	1972	1973	1974	1975	1976		
Leather uppered Footwear																													
Bulgaria	5.1	5.1	5.1	4.7	4.8	4.2	3.2	2.1	2.2																				
Czechoslovakia	47.0	53.7	59.6	59.6	60.6	60.7	59.7	60.2	62.0																				
German Dem. Rep.	27.9	32.0	37.2	37.2	36.4	39.6	42.1	39.1	42.8																				
Hungary	24.0	31.9	37.8	37.8	37.2	41.2	41.1	41.0	41.5																				
Poland	45.5	60.8	61.9	61.9	66.0	69.8	76.3	73.0	73.5																				
Romania	23.5	36.3	41.9	41.9	45.4	50.2	54.8	51.6	54.9																				
Sub-Total	173.0	219.8	243.1	243.1	250.4	265.7	277.2	267.0	276.9																				
USSR	464.6	598.5	679.0	679.0	647.0	666.0	684.0	698.0	724.0																				
Total	637.3	818.3	922.1	922.1	897.4	931.7	861.2	965.0	1,000.9																				

Source: COMECON, FAO/CCP: HS 78/2

Table 3

EASTERN EUROPE AND USSR
Production of light leather from cattle and calfskins

1961 - 1976

Production	Av. Av.							(million ft ²)
	1961-65	1966-70	1971	1972	1973	1974	1975	
Light leather from Cattle H/S								
Bulgaria	16.1	22.3	24.8	26.7	28.4	28.4	29.6	33.0
Czechoslovakia	166.4	192.9	211.3	229.6	233.1	233.1	236.4	238.0
German Dem. Rep.	121.6	138.4	144.8	150.7	158.5	163.0	169.2	175.0
Hungary	67.3	87.8	100.0	102.6	111.6	116.3	114.2	115.0
Poland	146.8	202.5	233.0	257.8	300.1	313.6	322.3	330.0
Romania	63.1	106.0	130.0	133.0	135.0	140.0	145.0	145.0
Sub-Total	561.3	749.9	843.9	900.4	967.7	994.4	1,016.7	1,036.0
USFR	571.8	659.3	727.3	692.8	705.7	709.1	721.0	740.0
Total	1,153.1	1,409.2	1,573.2	1,593.2	1,672.4	1,703.5	1,737.7	1,776.0

Source: COMECON, FAO/CCP: HS 78/2

Table 4

EASTERN EUROPE AND USSR

Production of light leather from sheep and goat skins

Production	AV 1961-65 ^{AV}	1961 - 1976					(million ft ²)					
		1966-70	1971	1972	1973	1974		1975	1976			
Light Leather - From Sheep and Goats												
Bulgaria	24.2	33.5	37.2	40.1	42.6	42.6	44.4	45.0				
Czechoslovakia	8.8	10.2	11.1	12.1	12.3	12.3	12.4	12.0				
German Dem. Rep.	6.4	7.3	7.6	7.9	8.3	8.6	8.9	9.0				
Hungary	9.2	12.0	13.6	14.0	15.2	15.9	15.6	16.0				
Poland	7.7	10.7	12.3	13.6	15.6	16.5	17.0	17.0				
Romania	7.0	11.8	14.5	14.7	14.7	14.7	15.0	15.5				
Sub-Total	63.3	85.5	96.3	102.4	108.9	110.9	113.3	114.5				
USSR	381.2	439.5	484.9	461.9	470.5	472.7	480.7	485.0				
Total	444.5	525.0	581.2	564.3	579.4	583.6	594.0	599.5				

Source: COMECON, FAO/CCP: HS 78/2

Table 2

EASTERN EUROPE AND USSR

Production of Cattlehides and Calfskins (incl. Buffaloes)

1961 - 1977

Country	Av. Av.							(million pieces)	
	1961-65	1966-70	1971	1972	1973	1974	1975	Prel. 1976	Est. 1977
Cattlehides and Calfskins									
Bulgaria	0.5	0.5	0.6	0.5	0.5	0.7	0.5	0.5	0.5
Czechoslovakia	1.5	1.7	1.5	1.5	1.5	1.6	1.6	1.5	1.5
German, Dem. Rep.	1.0	1.7	1.7	1.7	1.7	1.7	1.5	1.5	1.5
Hungary	0.5	0.5	0.5	0.6	0.6	0.4	0.7	0.7	0.7
Poland	4.2	4.1	4.2	4.1	4.1	4.5	4.4	4.1	4.0
Romania	1.7	1.6	1.2	1.3	1.6	1.4	1.3	1.5	1.5
Sub-Total	10.0	10.1	9.8	9.4	9.4	10.1	10.0	11.0	10.8
USSR	31.2	37.7	34.2	34.5	34.9	36.4	36.0	34.2	34.3
Total	41.2	47.8	44.0	43.9	44.3	46.5	46.0	45.2	45.1

Source: FAC, CCP: NS 76/2, Part II (Aug. 1978).

Table 6

EASTERN EUROPE AND USSR
Production of Sheepskins and Lambskins

1961 - 1977

Country	(million pieces)									
	Av. 1961-65	Av. 1966-70	1971	1972	1973	1974	1975	Prel. 1976	Est. 1977	
Sheepskins and Lambskins										
Bulgaria	6.2	6.3	5.7	5.9	5.8	6.1	5.3	6.0	5.3	
Czechoslovakia	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	
German, Dem. Rep.	0.8	0.5	0.5	0.5	0.5	0.6	0.6	0.7	0.6	
Hungary	0.6	0.5	0.4	0.3	0.4	0.4	0.5	0.3	0.5	
Poland	1.3	1.1	1.1	1.1	1.1	1.0	0.8	0.8	0.5	
Romania	3.5	3.8	4.2	3.8	4.1	4.0	4.2	4.0	4.1	
Sub-Total	12.6	12.4	12.2	11.9	12.2	12.4	11.7	12.1	11.3	
USSR	71.7	65.9	61.6	57.0	57.0	58.7	63.8	52.6	54.0	
Total	84.3	78.3	73.8	68.9	69.2	71.1	75.5	64.7	65.3	

Source: FAO, CCP: HS 78/2, Part II, (Aug. 1978)

Table 7

EASTERN EUROPE AND USSR

Production of Goatskins and Kidskins

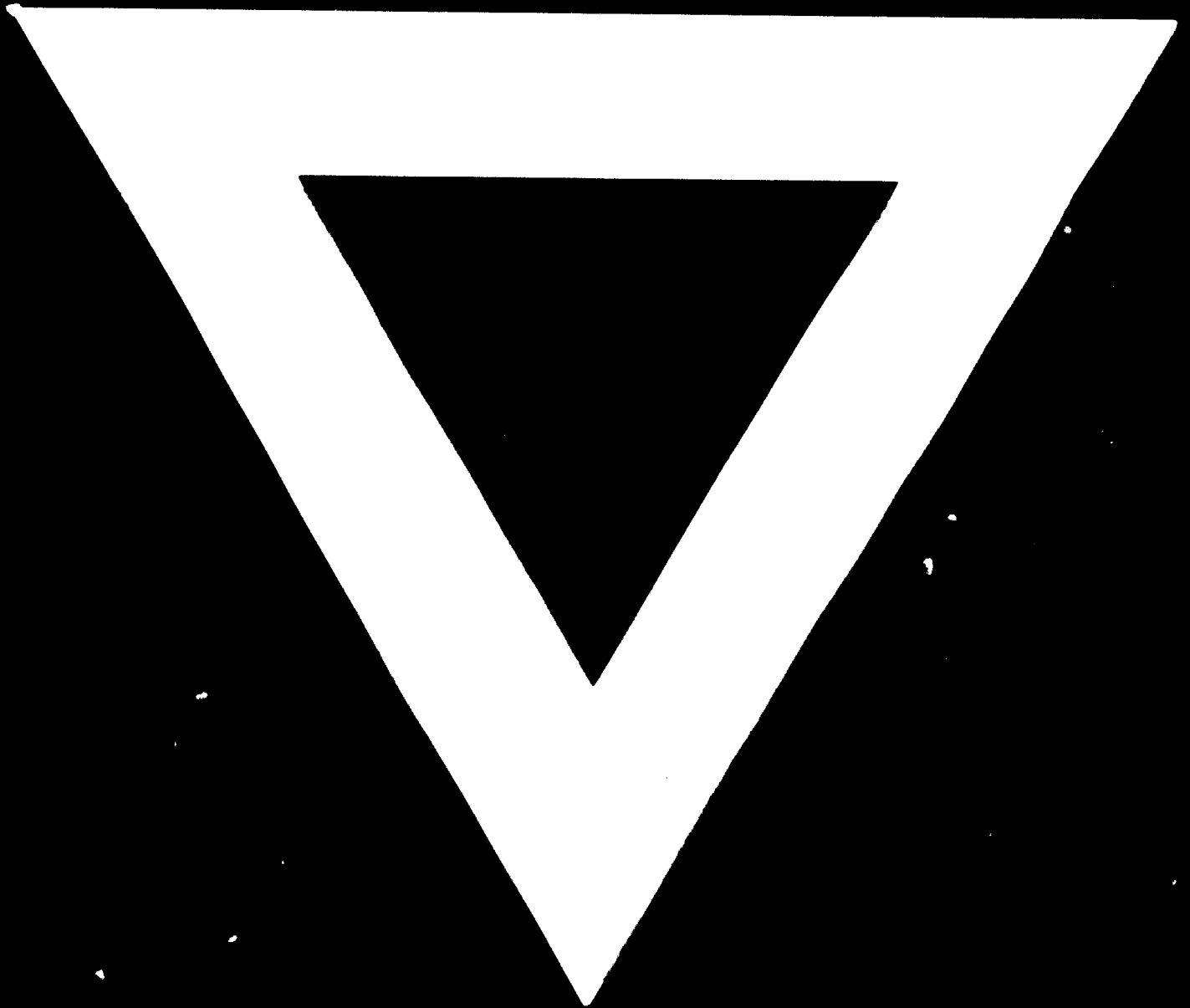
1961 - 1977
(million pieces)

Country	AV.		1961 - 1977					Pre-l.		Est.
	1961-65	AV. 1966-70	1971	1972	1973	1974	1975	1976	1977	
Goatskins and Kidskins										
Bulgaria	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Czechoslovakia	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
German, Dem. Rep.	0.3	0.2	0.1	0.1	0.1	0.1	---	---	---	---
Poland	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Romania	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2
Sub-Total	1.3	1.2	1.1	0.9	0.9	0.9	0.8	0.8	0.8	0.9
USSR	3.5	2.8	2.4	2.2	1.8	2.5	2.5	2.5	2.5	2.9
Total	4.8	4.0	3.5	3.1	2.7	3.4	3.3	3.3	3.3	3.8

Source: FAO, CCP: HS 78/2, Part II, (Aug. 1978)

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche

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